BACKGROUND OF ORGANIZATION:

In 1996, the non-profit Maine Time Dollar Network (MTDN) was birthed in Portland in alignment with the tenets of its national founder, Edgar Cahn, author of Time Dollars & No More Throw Away People. The goal of this entrepreneurial program is to build social capital and strengthen communities via a non-cash economy. Units of service, valued equally regardless of skill level, are “banked” by members and exchanged as credits and debits which are tracked by a paid Coordinator in a central data system. The appeal of the program, which has grown ten times since its inception, is that persons of all social/economic strata trade services and time with each other while tackling a broad menu of social issues through safe and friendly community contacts. Essentially, MTDN supports the infrastructure of a shared community by linking individuals, families and businesses to resources—and each other.

Individuals receive a range of $500-$5000 per year in non-cash services such as child care, health care, job training, transportation, arts and entertainment and professional services (resume writing, job coaching, documented work experience.) Our membership is comprised of primarily low income persons representing all ages, with ethnic and cultural diversity and inclusive of persons with physical, mental or emotional challenges. We also have members of upper income ranges and high paid professions. Each member’s gifts are valued equally.

Each of the seven Time Dollar sites in Maine are in stages of recruitment and retention of membership, and each community is responsive to the unique elements of its citizens. MTDN is the first TD program in Maine and has just become the first regional “hub” for Time Dollars nationally. Auta Main, its Executive Director, concurrently serves as the Acting Executive Director of the National Time Dollar Organization. Auta and her assistant were responsible for training each of the seven site coordinators in Maine. They now train new programs throughout New England. There are twenty-two (22) New England applicants on file awaiting training and technical assistance. The Time Dollar concept has caught on and been welcomed in diverse communities throughout Maine. Sustainability is insured, as existing programs incorporate entrepreneurial, revenue generating elements within their infrastructure while growing membership and forging new alliances.

1. Social Services and Employment Training. Time Dollars addresses unemployment issues by creating job readiness opportunities for their members. Members gain practical skills and earn personal confidence while performing exchanges in public, private or business offices. Exchanges include data entry, clerical, receptionist and custodial positions at the business offices of other time dollar members. Members receive assistance with resume writing and job searches, and TD office management writes letters of support documenting the “volunteer” work history of its members. This work experience has translated into gainful employment for many members. Further, many low wage earners gain and retain employment often lost to the normal barriers of a lack of an emotional support system, lack of reliable transportation, unaffordable child care and stress induced health issues. The community support is a vital link between people and employers.

2. Education. Time Dollars provides educational and job training programs through an ever expanding relationship with adult education and higher education institutions. Members have
completed education courses including GED preparation, computer training at all skill levels, language classes and specific trades (Class B Driving, car repair, carpentry, secretarial) in exchange for time dollars. MTDN is working with a local community college to explore receipt of time dollars for tuition credits! On the other end of the age spectrum, a recent example of success was achieved in a neighborhood elementary school of which 90% of the children qualify for free or reduced meals. The entire fifth grade class of Jack Elementary School earned refurbished computers by providing 50 hours of services to their school, neighborhood and the elderly.

3. Arts & Culture. Time Dollar members exchange services at local performing arts centers (Merrill Auditorium, Cultural Exchange, Children’s Museum of Maine, A Company of Girls, and others) by selling tickets, collecting donated gifts for raffles or fundraising, seating guests at events, distributing fliers and providing setup or cleanup for events. Members can debit their time dollars by receiving tickets for performances they might otherwise not be able to afford. This is especially helpful for low income and/or large families for whom ticket prices are prohibitive.

4. Health Care. Time Dollars provides solutions to the health care crisis in Maine for uninsured or underinsured persons. Members have accessed thousands of hours of health care services at several health clinics. Exchanges with private midwives, health practitioners and general physicians have resulted in a full range of health care including the complete prenatal care and delivery of two babies. MTDN is working to build an exchange relationship with its first hospital, which would open the pathway to an array of health caring options for uninsured members.

GRANT REQUEST TO THE BINGHAM-BETTERMENT FUND:

Maine Time Dollar Network seeks $20,000 from the Bingham-Betterment Fund to pay for legal and administrative costs to achieve a “private letter ruling” (PLR) from the IRS. This ruling will confirm MTDN’s legal status as a non-profit organization, which although not in jeopardy, has been questioned by some private funders due to the mislabeled definition as a “bartering” program. Time Dollars does NOT barter services. It is a time bank that debits and credits services performed or received by individual members. This distinction is essential and earned us our federal 501©3 status. We seek to clarify, once and for all, our federal tax exempt status through receipt of this distinct ruling. This will assist our organization to obtain expansion funds from new foundations or individuals that have been hesitant, although encouraging, in the past. Additional avenues for revenue will insure our long term goals of coordinating exchanges among health care, education, arts & culture and job training providers will be satisfied in all existing or emerging service areas in Maine.

This confusion about “bartering” has existed since Time Dollars inception in the 1980’s, despite Time Dollar programs securing three separate, private rulings in three states that operate TD programs. (No state that applied for a ruling has been denied.) MTDN, Maine’s first TD program, did not seek or receive an independent ruling when it was birthed. Its Board of Directors and legal team initially concurred that the PLR from its founding state, (Missouri) as well as our independent receipt of our federal 501©3 status insured we were on solid legal
ground. Over our seven year history, though, there has been discomfort among some donor prospects, due to the unusual nature of our mission. The Board of Directors has now determined that our plans for continued expansion would rest more comfortably once a PLR is secured for our agency.

There is no question that the ruling will be positive, nor will services be interrupted as this activity is pursued. Our delay in applying for this ruling has hinged on the high cost of contracting with a reputable law firm for the service. MTDN has an operating budget of less than $200,000 and the price for this research and ruling is $20,000. MTDN does not have unrestricted financial resources within its sparse budget to pay for this assignment.

If funded by the Bingham Betterment Fund, a qualified tax lawyer from a reputable law firm in Portland will be hired immediately. (We have initiated a dialogue with Drummond, Woodsum and MacMahon and have a willing tax lawyer interested in this contract.) The research, application and approval process can take as little as 6 months or as long as 18 months to complete. Because of that time span which is controlled by the IRS, it is essential that we proceed soon, to insure our goal is met within the next two years.

Once receipt of the ruling has been achieved, it could become the template for other Maine and New England Time Dollar agencies. The investment from Bingham-Betterment Fund, therefore, will serve not only the 700 active members of our current program, but thousands more in future affiliate agencies.

BUDGET:

1. Legal:
   - Contract with Drummond, Woodsum & MacMahon Law Firm:
     Lawyer @ $150.00/hr. (research of current PLR’s & Maine law; tax filing, second review by law firm; monitoring with IRS; additional information requirements to IRS; receipt of final ruling)
   - IRS User Fee
   - Oral & written presentation to MTDN Board of Directors; copies of ruling
   - TOTAL LEGAL:        $15,000

2. MTDN Administrative:
   - Indirect at 15%        $  2,250
   - Fiscal Audit        $  2,000
   - Misc. (meetings with other state recipients of PLR’s)        $    750
   - Total        $ 5,000

3. GRAND TOTAL:        $20,000